PROCEEDINGS
of
THE SRI MULAM ASSEMBLY.

(OFFICIAL REPORT.)

SECOND ASSEMBLY.

NINTH SESSION 1941/1116.

Monday the 21st July 1941/6th Karkadakam 1116.

The Assembly met in joint Session with the Sri Chitra State Council in the Legislative Chamber, Public Offices at eleven of the clock, the President Sachivottama Sir C. P. Ramaswami Aiyar K. C. S. I., K. C. I. E., LL. D., Dewan of Travancore presiding.

Sir Francis Wylie, Political Adviser to His Excellency the Viceroy and Crown Representative and Lieut. Col. G. P. Murphy, Resident for the Madras States arrived at 11 A. M. and were seated on the dais.

MR. R. RAMA VARIER (*Deputy Accountant General in charge of the Financial Secretary's duties*): Sir, the Budget Estimates for the current year were presented to this House by my predecessor about this time last year, in an atmosphere surcharged with the calamitous effects of a devastating war. The sombre clouds that loomed in the horizon are still hanging over the world, threatening to uproot the very foundations of all international peace and amity. It has upset commerce and placed our sea-borne trade almost at a standstill. The lack of shipping facilities has had a serious set-back on our coconut and other industries as also on the revenue from our capital works which could not make the expected progress on account of the difficulty in obtaining machinery and materials from abroad. The cost of imported goods has become prohibitive, while the price of our indigenous commodities shows a marked tendency to decline. The economic depression and the growing unemployment in the country have also had their repercussions on our resources.

2. But despite these discouraging forces of an admittedly serious nature, it has been possible for Government to emerge unscathed out of what portended to be a serious financial set-back, without resorting to any additional taxation, unbearable or irksome to the ryot. Government, after reviewing the position sufficiently early carefully husbanded the resources of the State and enjoined rigid economy in all possible directions, without however impairing efficiency or sacrificing the primary needs of a progressive administration. The continued peace and tranquility within the country following a period of political agitation have also had their soothing effects on our finances.

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[Mr. R. Rama Varier.]

Before reviewing in detail the influence of these various forces on our financial position, I shall pause for a moment and compare the final accounts of the last year with the revised estimates therefor.

ACTUALS OF 1115.

3. For the last completed year we anticipated in our revised estimates a revenue of Rs 266·30 lakhs and an expenditure charged to revenue of Rs 263·62 lakhs. Actually our revenue mounted up to Rs 267·75 lakhs, which is about a lakh and a half in excess of our anticipations. But our expenditure also correspondingly exceeded the revised estimates by Rs 4·70 lakhs. The starting of relief works on a large scale during the closing months of the year with a view to alleviate economic distress and unemployment in several parts of the State accounts for an increase of nearly Rs 1 lakh in expenditure. The payment of a sum of about Rs 1 lakh in excess of the budget provision for war contribution to make up the full cost of a Mine-Sweeper Trawler explains an increase of another Rs 1 lakh. I feel no hesitation whatsoever that the House will be proud and legitimately too, that, to our State at the Land's end of India, belong the privilege and the honour of having been the first and till now the only State, to contribute to the Allied Forces, a Trawler and Mine-Sweeper, H. M. I. S. *Travancore*, which has already begun to plough the blue waters in aid of the fight for mastery of peace and liberty over aggression and bondage.

4. On the receipt side, there was a fall in Land Revenue due to the grant of remissions, seasonal and non-seasonal, and in Excise revenue due to less consumption and the consequent fall in the duty on Jaffna tobacco. The volume of our foreign trade has been on the decline ever since the war broke out owing to lack of shipping facilities and this has adversely affected our Customs revenue especially under exports.

The working of the Transport Department was seriously handicapped by the rise in the price of petrol, oil, spare parts, etc., as a natural result of the war situation. As the working expenses of the department could not therefore be kept within the original expectations, the net receipts of the department have suffered a severe setback.

The Ceramic Factory started manufacturing operations during the year, only on a limited scale with the result that the actual revenu realised fell short of the revised estimate. It is only now that larg orders both for the raw material and for manufactured products hav come in both from the War Supplies Department and elsewhere enabl ing the enterprise definitely to turn the corner.

5. These set-backs in revenue were counterbalanced by improve ments under other heads, the more important of these being taxes o income. Salt and Forests. The improvement under Taxes on Income

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